ASX Release

23 May 2023

Nanollose receives $374,063 from the R&D Tax Incentive program

Highlights:

- **$374,063 R&D Tax Incentive Rebate received from Australian Government following work undertaken in FY2022**
- **Provides non-dilutive funding and strengthens balance sheet ahead of third pilot spin for Nullarbor™ fibres alongside Birla Cellulose**
- **Company remains focused on targeted strategic expenditure and will continue to work on the development of its suite of technologies, leveraging the resources and backing of its global partner network**

Leading bio-materials company Nanollose Limited (ASX: NC6) ("Nanollose" or the "Company") is pleased to confirm it has received a $374,063 R&D Tax Incentive Rebate ("Rebate") from the Australian government.

Nanollose secured the Rebate as part of the Government's R&D Tax Incentive program, which provides companies with a tax offset for eligible R&D activities. Funds from the Rebate considerably strengthen the Company's balance sheet and provide additional financial flexibility to advance a third pilot spin for its Nullarbor™ fibres, in collaboration with Birla Cellulose – a business unit of Grasim Industries, a division of multinational Indian conglomerate Aditya Birla Group.

The Rebate provides Nanollose with capital flexibility to pursue a number of near-term, value accretive opportunities. It follows a recent R&D breakthrough for its microbial cellulose dewatering technology and its commercial application to the Company's Jelli Grow™ formulation (*refer ASX announcement: 15 May 2023*), to complement its core Nullarbor™ fibre technology. Nanollose remains focused on diligent cost management and will continue to leverage the resources of its global partner network to move its portfolio of cutting-edge technology solutions towards commercialisation.

Management commentary

Executive Chairman Dr Wayne Best said: *"This Rebate provides the Company with additional capital and a cash runway to further the development of our Nullarbor™ fibres, while also pursuing business development initiatives to unlock near term revenue opportunities. The funding comes at an important time in the Company's growth trajectory, with strong R&D momentum for both the Nullarbor™ fibres and its Jelli Grow™ formulation. In progressing its multi-channel technology suite towards commercialisation, Nanollose has always been very conscious of its cost base and continues to monitor expenditure. The Company is fortunate to have a strong partner base, which brings considerable resources and expertise that can be leveraged to ensure capital is deployed strategically at this critical time in our growth trajectory."*

[ENDS]

AUTHORITY AND CONTACT DETAILS

This announcement has been authorised by the Board of Directors of Nanollose.

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ABOUT NANOLLOSE

Nanollose Limited (ASX: NC6) is a leading biotechnology Company commercialising scalable technology to create fibres with minimal environmental impact. Nanollose uses an eco-friendly fermentation process to grow fibres that could become a sustainable alternative to conventional plant-derived cellulose fibres.

The Company's process, which uses streams from various large-scale industries, including food and agriculture, has the ability to produce 'Tree-Free' Cellulose. Cellulose is the hidden polymer building block most consumers know nothing about, but forms a huge part of items used in their everyday life such as clothing, paper and hygiene products.

In January 2021, Nanollose filed a joint patent application with strategic partner, Birla Cellulose, for a high tenacity, Tree-Free lyocell made from microbial cellulose. In February 2022, Nanollose and Birla Cellulose completed the first pilot production of such a lyocell fibre when Birla Cellulose spun 260kg of forest-friendly Nullarbor-20™ fibre for Nanollose at their facilities in India. This fibre has since been sent to several collaborators and has been converted into yarns, fabrics, and garments for testing and evaluation, prior to potential uptake by partners.